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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34714]

Arkansas Midland Railroad Company, Inc.—Lease and Operation Exemption—Union  
Pacific Railroad Company

Arkansas Midland Railroad Company, Inc. (AKMD),<sup>1</sup> a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41, et seq., to lease from Union Pacific Railroad Company (UP), and operate, UP's: (1) Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, AR, and milepost 399.7 at Cypress Bend, AR; and (2) Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4 at the connection with the industrial trackage of Potlatch Corporation's Cypress Bend Mill, near Arkansas City, AR (Cypress Bend Line), a total distance of approximately 11.2 miles.

AKMD will also lease the yard at the east end of the Potlatch Spur and, except for yard tracks 001 and 002, the remainder of McGehee Yard that it does not already lease. Further, AKMD will obtain restated incidental bridge trackage rights over UP's rail line between milepost 406.5 at McGehee and milepost 415.26 at Dermott, AR, to allow the

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<sup>1</sup> AKMD is a wholly owned subsidiary of Pinsly Railroad Company, a noncarrier holding company which also controls four other Class III rail carriers in Florida and Massachusetts. See Pinsly Railroad Company—Continuance in Control Exemption—Arkansas Midland Railroad Company Inc., Finance Docket No. 32001 (ICC served Mar. 6, 1992).

movement of through traffic between the Cypress Bend Line/McGehee Yard and the Warren Line (a UP line between Dermott, AR, that AKMD leased in 2004), a distance of approximately 8.76 miles.<sup>2</sup>

AKMD certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier. Because AKMD's projected annual revenues will exceed \$5 million, AKMD has certified to the Board on June 9, 2005, that the required notice of the transaction was posted at the workplace of the employees on the affected line on June 3, 2005, and was sent to the national offices of the labor unions representing employees on the line. See 49 CFR 1150.42(e).

The transaction was scheduled to be consummated on or shortly after August 8, 2005.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34714, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on William C. Sippel, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

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<sup>2</sup> AKMD indicates that it expects to execute an agreement shortly with UP to provide for AKMD's lease of the Cypress Bend Line.

Decided: August 22, 2005.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary